

Brazil: New adjustment to social security tax rate table

January 25, 2016

In brief

The Brazilian Social Security Ministry published Ordinance n. 1 on January 11th that provides an adjustment to the social security tax rates as of January, 2016. The new rates are applicable to all beneficiaries of the Social Security System, including foreign employees working for a Brazilian company under a work contract.

In detail

Employee contributions are subject to tax at a maximum rate of 11% regardless of their

monthly salary and are limited to BRL 570,88 on a monthly

basis, according to the following new tax table:

Contribution salary from (BRL)	Up to (BRL)	Social security rate (%)	Ceiling contribution
0	1,556,94	8	
1,556,95	2,594,92	9	
2,594,93	5,189,82	11	BRL 570,88

Please note that the value of BRL 570,88 is the contribution limit, even if the income received is greater than the amount of BRL 5.189,82, as outlined in the table.

The takeaway

The new rates for social security are in effect from January, 2016. Companies should consider the impact this may have from a budgeting and payroll perspective.

Let's talk

For a deeper discussion of this issue, please contact your Global Mobility Services engagement team or the following professionals:

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